

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

May 2006

Summary

Revenue collections posted the second strongest month of fiscal year 2006 in May. Monthly collections increased by 8.4 percent, with solid growth in retail sales and motor vehicle sales tax collections buoying the month. On a year-to-date basis, growth is up 3.9 percent, well ahead of the forecast of 2.3 percent growth.

Motor Fuels Tax (excluding PTF Fuels Tax Revenue)

Motor Fuels Tax collections increased by 2.7 in May. Annual collections through the first eleven months of fiscal year 2006 are up 2.1 percent, well ahead of the -0.4 percent official forecast. While significant supply uncertainties remain, some softening in the near-term gasoline balance is expected to dampen retail prices somewhat, barring new, unanticipated supply disruptions. The potential for midsummer retightening exists, however, if demand growth picks up to higher rates than currently expected or if refinery outages occur at unusual rates. Retail regular gasoline prices are projected to average about \$2.60 per gallon in 2006 and 2007. Summer 2006 (April 1 to September 30) regular gasoline pump prices are expected to average \$2.76 per gallon, 39 cents higher than last year's average of \$2.37 per gallon.

Motor Vehicle Sales and Use Tax

Vehicle sales were solid in May. Collections in this source increased by 10.4 percent in May and are up 2.4 percent for the year, lagging the official estimate of 3.5 percent growth.

Nationally, vehicle sales are holding steady this year, in line with strong consumer spending over all. Vehicle sales are expected to ease off throughout the year, but are still expected to come in above 16 million for the year. The industry still has some supports, including rising employment and income.

State Retail Sales Tax

The transportation portion of retail sales tax increased by 11.3 percent in May. Collections in this source are up 6.8 percent in fiscal year 2006.

Motor Vehicle Licenses

Motor Vehicle Registrations increased by 7.0 percent in May. Collections of \$15.9 million outpaced the \$14.8 million collected last May. Motor vehicle license receipts are up 3.2 percent for the year.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Revenue Estimates & Collections
For the Fiscal Years 2005 and 2006
(Dollars in Thousands)

Revenue	FY 2006 Estimate	As a % of Total Fund	May			Year-To-Date			% Annual Growth Required By Estimate
			FY 2006	FY 2005	% Change	FY 2006	FY 2005	% Change	
Motor Fuel Taxes	\$845,800	24.56	\$75,432	\$73,414	2.7	\$727,638	\$712,501	2.1	(0.4)
Priority Transportation Fund	20,000	0.58	2,000	2,000	0.0	18,000	18,000	0.0	0.0
Motor Vehicle Sales and Use Tax	636,600	18.48	55,923	50,642	10.4	568,294	555,174	2.4	3.5
State Sales and Use Tax	474,900	13.79	44,745	40,186	11.3	433,484	405,777	6.8	5.6
Motor Vehicle License Fees	169,200	4.91	15,851	14,816	7.0	152,727	148,021	3.2	2.9
International Registration Plan	58,600	1.70	4,220	1,819	132.0	50,980	48,566	5.0	(3.5)
Interest Earnings	25,700	0.75	13	11	18.2	22,807	12,630	80.6	45.7
Misc. Taxes, Fees, and Revenues	22,700	0.66	2,139	1,839	16.3	29,336	27,441	6.9	(14.2)
Total State Taxes and Fees	\$2,253,500	65.43	\$200,323	\$184,727	8.4	\$2,003,266	\$1,928,110	3.9	2.3

Percentage is greater than 1,000%.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2005 and 2006
(Dollars in Thousands)

Revenue	FY 2006 Estimate	As a % of Total Fund	May			Year-To-Date			% Annual Growth Required By Est
			FY 2006	FY 2005	% Change	FY 2006	FY 2005	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$725,500	21.07	\$65,682	\$62,882	4.5	\$627,514	\$613,233	2.3	(0.7)
Motor Vehicle Sales and Use Tax	395,200	11.47	34,900	32,544	7.2	352,659	357,306	(1.3)	(0.2)
Motor Vehicle License Fees	147,900	4.29	13,903	12,938	7.5	133,736	129,498	3.3	2.8
International Registration Plan	58,600	1.70	4,220	1,819	132.0	50,980	48,566	5.0	(3.5)
Misc. Taxes, Fees, and Revenues	22,700	0.66	2,139	1,839	16.3	29,336	27,441	6.9	(14.2)
Total State Taxes and Fees	\$1,349,900	39.19	\$120,844	\$112,022	7.9	\$1,194,225	\$1,176,044	1.5	(0.5)
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$2,498	\$5,508	(54.6)	\$29,087	\$26,224	10.9	(100.0)
Transfer (to) / from Transportation Trust Fund	186,200	5.41	0	0	-	186,199	194,977	(4.5)	(4.5)
Total Highway Maintenance and Operating Fund	\$1,536,100	44.60	\$123,342	\$117,530	4.9	\$1,409,511	\$1,397,245	0.9	(2.9)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes									
(Includes Aviation & Road Taxes)	\$120,300	3.49	\$9,750	\$10,532	(7.4)	\$100,124	\$99,268	0.9	1.0
Priority Transportation Fund	20,000	0.58	2,000	2,000	0.0	18,000	18,000	0.0	0.0
Motor Vehicle Sales and Use Tax									
(Includes Rental Tax)	241,400	7.01	21,023	18,098	16.2	215,635	197,868	9.0	10.1
State Sales and Use Tax	474,900	13.79	44,745	40,186	11.3	433,484	405,777	6.8	5.6
Motor Vehicle License Fees	21,300	0.62	1,948	1,878	3.7	18,991	18,523	2.5	3.5
Interest Earnings	25,700	0.75	13	11	18.2	22,807	12,630	80.6	45.7
Total State Taxes and Fees	\$903,600	26.24	\$79,479	\$72,705	9.3	\$809,041	\$752,066	7.6	6.7
Other Revenues:									
Federal Grants and Contracts	\$1,011,300	29.36	\$61,289	\$37,531	63.3	\$435,969	\$412,346	5.7	121.8
Receipts from Cities/Counties	70,400	2.04	3,550	613	479.1	44,819	24,948	79.6	174.6
Toll Revenues (Includes Route 28)	88,700	2.58	7,443	12,024	(38.1)	102,368	96,793	5.8	(20.5)
Miscellaneous Revenues	20,200	0.59	2,356	3,711	(36.5)	15,793	27,589	(42.8)	(25.7)
Total Other Revenues	\$1,190,600	34.57	\$74,638	\$53,879	38.5	\$598,949	\$561,676	6.6	91.9
Transfer (to) / from Highway Maintenance and Operating Fund	(\$186,200)	(5.41)	\$0	\$0	-	(\$186,199)	(\$194,977)	4.5	4.5
Total Transportation Trust Fund	\$1,908,000	55.40	\$154,117	\$126,584	21.8	\$1,221,791	\$1,118,765	9.2	50.0
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$3,444,100	100.00	\$277,459	\$244,114	13.7	\$2,631,302	\$2,516,010	4.6	20.7

Percentage is greater than 1,000%.